



**Livestock and Seed Program  
Audit, Review, and Compliance Branch  
Quality System Audit Report**

**Applicant:** New Mexico Organic Commodity Commission (NMOCC)  
**Program :** National Organic Program/Accreditation for Organic Certification  
Organizations- Corrective Action Report-On-site Audit  
**Location(s):** Albuquerque, NM  
**Audit Date(s):** August 7- October 6, 2003  
**Audit File Number:** NP3013BA  
**Action Required:** Yes  
**Auditor(s):** Martin Friesenhahn  
**Contact & Title:** Erica Peters- Agency Director  
**E-mail Address:** [Erica.peters@state.nm.us](mailto:Erica.peters@state.nm.us)

**AUDIT ACTIVITIES**

On August 7- October 6, 2003 a representative of the USDA, AMS, LS, Audit, Review, and Compliance (ARC) Branch conducted a review of the corrective actions submitted by the New Mexico Organic Commodity Commission (NMOCC), Albuquerque, NM in reference to non-compliances from the **Decision on Accreditation Document** and the continuous improvement points identified during the on-site audit of January 13-16, 2003 (NP3013BA). Corrective-preventive actions included letters dated February 3, 2003, April 15, 2003, and July 10, 2003 with applicable information. Additional corrective-preventive actions were submitted in August 2003. The Findings section includes the information pertaining to the corrective actions up to the current review.

**FINDINGS**

The corrective-preventive actions submitted by NMOCC have adequately addressed all outstanding non-compliances for the NOP at this time.

**Non-compliances- Initial Desk Audit & Decision on Accreditation Document:**

**Decision on Accreditation Document and initial desk audit report – (NP2101BB) – Adequately Addressed- 205.501 (11) (i)**– A conflict of interest exists under NOP guidelines in that the New Mexico state laws require the NMOCC Commissioners to be certified by NMOCC. In addition, the Commissioners set policy, manage finances, and give performance evaluations on the Agency Director, which makes the final decisions. **(11)(v)**-One NMOCC Commissioner did not list his certified company on the conflict of interest form. **-CLEARED-**

**Review: 10/11 & 10/15/02-** *Two proposed solutions would be presented to and decided by the New Mexico Legislature in January-February 2003. One option is to assign the budgetary oversight and personnel authority over to another state agency, the Regulation and Licensing Department (RLD), and retain the commissioners as an advisory group. The other option is to have the commissioners certified by another NOP-accredited certifying agent.*

**Review: 1/13/03-1/16/03:** *NM Legislation 76-22-6 requires NMOCC Commissioners to be certified organic producers or handlers. Although the five NMOCC Commissioner positions are currently vacant, the past Commissioners and the future Commissioners to be appointed are certified through NMOCC. The conflict of interest issue involving the NMOCC Commissioners has not been resolved.*

**Corrective Actions- Review 2/28/03 :** The letter (2/3/03) submitted by the NMOCC Agency Director mentioned that the NMOCC Commissioners would be certified by a different (independent) NOP-accredited certifying agent.

**Corrective Actions- Review 10/6/03:** All NMOCC Commissioners except one have resigned their positions. Resignation letters were provided on three of four NMOCC Commissioners that had resigned. The resignation information on the fourth NMOCC Commissioner (Stuart Taylor) was listed in the corrective action submitted. An organic certificate was provided that listed the one remaining NMOCC Commissioner (Marsha Mason- Resting in the River) as being certified by Maharishi Vedic Organic Agriculture Institute to the NOP.

The **Decision on Accreditation Document stated** that NMOCC must submit, within 120 days, evidence that all certification standards have been replaced with the National Organic Standards that are not altered and that guidance documents, policies, and procedures employed under the National Organic Program have been revised to reflect implementation of the National Organic Standards. –**Adequately Addressed-**

**Review: 10/11 & 10/15/02-** *The NMOCC Organic Certification Handbook was revised (8/9/02) to include the National Organic Standards verbatim, Subparts A-G. The Certification Handbook also referenced other sections as guidance to be used by clients with the NOP Rule being the official standards.*

**Review: 1/13/03-1/16/03-** *The review from 10/11 & 10/15/02 cleared this non-conformance. However, the on-site audit revealed that the current version (8/9/02) of the NMOCC Certification Handbook was not submitted to their clients. The previous NMOCC Certification Handbook was under NOP guidelines although not verbatim or the same numbering system. The 8/9/02 version of the NMOCC Certification Handbook meets the requirements of the NOP but still needs to be provided to their clients. Therefore, this issue is listed as a non-conformance until the clients receive the current version of the NMOCC Certification Handbook that meets NOP requirements.*

**Corrective Actions- Review 10/6/03:** The NMOCC Certification Handbook was revised (DOC C101; Version E; Eff. date: 08/19/03) and submitted to clients. This latest version was submitted with the corrective actions.

**Non-compliances from the on-site audit -continuous improvement points (CIP)**

**NP3013BA.NC1- CIP- 205.201(a)-Adequately Addressed-** requires that producers and handlers submit an organic system plan and that the certifying agent agree to the plan. *NMOCC does not require notification of changes to the organic system plan so that a new agreement may be made.*

**Corrective Actions- 10/6/03:** - Updating Your Certification Status (Section 1.10, p.6) of the NMOCC Organic Certification Handbook was revised and the new Handbook has been submitted to clients. The revised section now requires the notification of changes by the client to NMOCC.

**NP3013BA.NC2- CIP-205.404 (a)-Adequately Addressed-** requires that certification be granted based on compliance to the regulations. *NMOCC based certification on several additional requirements such as soil testing, notarized agreements to comply, and signed agreements made with neighbors and contractors.*

**Corrective Actions- 10/6/03:** - Additional requirements were removed from the NMOCC Organic Certification Handbook and applicable documents. The NMOCC Certification Handbook was revised (DOC C101; Version E; Eff. date: 08/19/03) and submitted to clients. This latest version was submitted with the corrective actions.

**NP3013BA.NC3- (CIP)- General requirements for accreditation-205.501(a)(6)-Adequately Addressed-** Conduct an annual performance evaluation of all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification,..... *Annual performance evaluations in 2002 were not completed on sub-contractor inspectors.*

**Corrective Actions- 10/6/03:** - The 2002 annual performance evaluations were completed and submitted from three sub-contractor inspectors (Lynda Prim, Abel Duffy, and Marie Coburn).

**NP3013BA.NC4: (CIP)- General requirements for accreditation- conflict of interest reports- 205.501 (11)(v)-Adequately Addressed-** The certifying agent must have all persons who review applications, perform on-site inspections, review certification documents.....or make certification decisions.....to complete an annual conflict of interest disclosure report. *Annual conflict of interest forms were not completed on two inspectors.*

**Corrective Actions- 10/6/03:** - Information submitted indicated that these two inspectors are no longer being used by NMOCC. Completed Conflict of Interest Disclosure and Confidentiality Statements (2003) were submitted on three inspectors (Marie Coburn, Erica Waltz, and Abel Duffy).

**NP3013BA.NC5 (CIP)- General requirements for accreditation Section 205.501 (11)(vi) – Adequately Addressed-** Ensuring that the decision to certify an operation is made by a person different from those who conducted the review of documents and on-site inspection. *The Chief Inspector reviews the documents and makes the final certification decisions on the files where the Agency Director completes the on-site inspections.*

**Corrective Actions- 10/6/03:** - Information submitted on 4/15/03 indicated that the Agency Director would no longer be conducting inspections.

## **RECOMMENDATIONS**

The submitted corrective-preventive actions are sufficient and appropriate at this time. NMOCC should submit the list of NMOCC Commissioners as they are filled and any information pertaining to the advisory board regarding positions, structure, or responsibilities as that information becomes available. Corrective-preventive actions should be verified for implementation and effectiveness during the next on-site audit.